

## Message Text

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ACTION IO-10

INFO OCT-01 ISO-00 AF-06 ARA-06 EA-06 EUR-12 NEA-10 OIC-02

FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-07

FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05

PA-01 AID-05 CIEP-01 SS-15 STR-04 TAR-01 TRSE-00

USIA-06 PRS-01 SP-02 OMB-01 OES-03 ERDA-05 /141 W

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R 240715Z JUN 75

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 3211

INFO AMEMBASSY ALGIERS

AMEMBASSY BRASILIA

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY COLOMBO

AMEMBASSY DAKAR

AMEMBASSY GEORGETOWN

AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA

AMEMBASSY KINGSTON

AMEMBASSY KINSHASA

AMEMBASSY KUALA LUMPUR

AMEMBASSY LAGOS

AMEMBASSY LIMA

AMEMBASSY LOME

AMEMBASSY LUSAKA

AMEMBASSY MANILA

AMEMBASSY MEXICO

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMCONSUL ZAGREB

USMISSION EC BRUSSELS

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LIMITED OFFICIAL USE SECTION 1 OF 2 BELGRADE 3180

E.O. 11652: N/A

TAGS: EGEN, UNGA, YO

SUBJECT: UNGA SPECIAL SESSION: YUGOSLAV VIEWS

REFS: STATE 130463, 126216, 112992, 75525

1. SUMMARY: YUGOSLAVS CONSIDER SECRETARY KISSINGER'S KANSAS CITY AND PARIS SPEECHES AS IMPORTANT INDICATIONS OF U.S. WILLINGNESS TO OPEN NEW DIALOGUES WITH LDC'S, AND BELIEVE PROSPECTS FOR PRODUCTIVE, AGREED OUT-COME OF UNGA SPECIAL SESSION AS A RESULT HAVE BEEN SOMEWHAT ENHANCED. YUGOSLAV INTERNATIONAL ECONOMIC POLICY NOW IN STATE OF FLUX, AS THEY SEEM TO BE TRYING WORK OUT POLICY WHICH WILL BE FIRMLY BASED ON PHILOSOPHICAL PRINCIPLES BUT WILL BE ATTUNED CHIEFLY TO DOMESTIC ECONOMIC CONSIDERATIONS AND NATIONAL SELF INTEREST. AT UNGA THEY LIKELY WORK BEHIND SCENES IN STRIVING FOR PRACTICAL MODERATE RESOLUTIONS, ENJOYING SUPPORT OF DEVELOPED COUNTRIES, BUT -- BASED ON FIRM POLICY OF PROMOTING NON-ALIGNED UNITY AND CAUSE -- WILL FAITHFULLY LINE UP WITH OVERALL NON-ALIGNED POSITION IN THE END. ALTHOUGH GOY PREPARATIONS FOR SPECIAL SESSION FAR FROM COMPLETE, SEEMINGLY THEY WOULD LIKE TO SEE, AS RESULT, "AGREED ACTION DOCUMENT DEMONSTRATING POLITICAL WILL OF PARTICIPANTS" TO CONSIDER IN OTHER FORUMS NEW TYPES OF LONG-TERM INTERNATIONAL COMMODITY ARRANGEMENTS, IN PART PERHAPS ALONG LINES OF LOME CONVENTION AND OF DISCUSSIONS AT RECENT COMMONWEALTH CONFERENCE IN KINGSTON. WHILE THERE ARE OBVIOUSLY DIFFERENCES OF VIEW BETWEEN US ON SUBSTANCE OF SUCH ARRANGEMENTS, YUGOSLAV POSITION CONCERNING UNGA OBJECTIVE MAY PROVIDE OPPORTUNITY FOR AT LEAST LIMITED U.S.-YUGOSLAV COOPERATION PRIOR TO AND AT SPECIAL SESSION. END SUMMARY.

2. WITH YUGOSLAV POSITION IN FORTHCOMING SEVENTH SPECIAL SESSION OF UNGA IN PROCESS OF DEVELOPMENT, AMBASSADOR AND EMBASSY ECONOMIC OFFICERS HAVE HAD LIMITED OFFICIAL USE

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EXTENSIVE DISCUSSIONS WITH KEY OFFICIALS CONCERNED, INCLUDING DEPUTY FOREIGN SECRETARY MOJSOV, FEC MEMBER SMOLE, UNDERSECRETARY FSFA PRIBICEVIC, ASSISTANT FOREIGN SECRETARY (MULTILATERAL AFFAIRS) BERISLAV BADURINA, DEPUTY DIRECTOR FOR INTERNATIONAL ORGANIZATIONS LJUBISA SEKULIC (WHO SERVED AS CONFERENCE RAPPORTEUR AT DAKAR AND OTHER PRINCIPAL NON-ALIGNED GATHERINGS) AND ZORAN LAZAREVIC, CHIEF

OF INTER-AGENCY "ECONOMIC GROUP" RESPONSIBLE FOR  
PREPARING YUGOSLAV POSITION FOR SPECIAL SESSION.

3. SOURCES TELL US THAT RECENT STATEMENTS BY  
SECRETARY KISSINGER ARE STILL UNDER INTENSIVE OFFICIAL  
GOY STUDY, BUT THAT PRELIMINARY REACTION IS POSITIVE.  
IN YUGOSLAV VIEW, DISMAL DEBATES OF SIXTH SPECIAL  
SESSION AND GENERAL SPIRIT OF CONFRONTATION OVER LAST  
TWO YEARS WAS IN CONSIDERABLE PART DUE TO WHAT THEY  
CONSIDER EXCESSIVELY NEGATIVE U.S. REACTIONS, ALTERNATING  
WITH APATHY. YUGOSLAVS NOT ENTIRELY CONVINCED BY OUR  
EFFORTS PERSUADE THEM THAT STRATEGY AND TACTICS EMPLOYED  
BY LDC'S THEMSELVES PRINCIPAL CAUSES OF CONFRONTATION,  
BUT SEEMINGLY AWARE THAT CONFRONTATION MAY HAVE OTHER  
COSTS, INCLUDING CHILLING U.S. INVESTMENT ABROAD, AND  
THAT IT RISKS DEVELOPED NATIONS' AVOIDING UN ITSELF.

4. SECRETARY'S SPEECHES, YUGOSLAV OFFICIALS FEEL,  
ARE OF MAJOR IMPORTANCE, FIRST AS INDICATION OF  
BASIC U.S. WILLINGNESS TO ENTER INTO NEW DIALOGUE  
WITH LDC'S AND, SECOND AS INDICATION THAT U.S. STARTING  
TO CONSIDER SOME CHANGES IN OVERALL COMMODITY POLICY.  
THEY BELIEVE RESULTING IMPROVEMENT IN ATMOSPHERE IS  
SIGNIFICANTLY ENHANCING CHANCES FOR CONSTRUCTIVE  
DISCUSSIONS AT SPECIAL SESSION, BUT REMAIN CAUTIOUS  
BECAUSE EVIDENCE OF DIFFERENCES WITHIN USG.

5. YUGOSLAVS WOULD LIKE TO WORK ACTIVELY WITH US --  
AS THEY DID AT ROME WORLD FOOD CONFERENCE -- TO BRING  
ABOUT POSITIVE, PRACTICAL, AGREED OUTCOME OF SPECIAL  
SESSION, AND TO REDUCE UNHELPFUL RHETORIC AS MUCH  
AS FEASIBLE. THEY STATE THEY HAVE ALREADY SUCCESSFULLY  
EXERCISED THEIR INFLUENCE IN PREPCOM TO DEFEAT AGENDA  
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PROPOSED BY ALGERIANS AND OTHER RADICAL MEMBERS OF  
NON-ALIGNED GROUP WHICH WOULD HAVE EMPHASIZED SPECIFIC  
REAFFIRMATION OF SIXTH SPECIAL SESSION DECLARATION  
AND MEXICO CHARTER OF ECONOMIC RIGHTS, AND TO ADOPT INSTEAD  
CURRENT DRAFT AGENDA. THEY HAVE SCHEDULED SPECIAL  
CONSULTATIONS WITH UK AND FRG ON JOINT APPROACHES AT  
SPECIAL SESSION, AND WOULD LIKE CONTINUED BILATERAL  
CONSULTATIONS WITH U.S. SEPTTEL RECOMMENDS THAT SUCH  
CONSULTATIONS BE HELD BOTH IN NEW YORK AND BELGRADE.

6. GOY POSITION FOR SPECIAL SESSION IS ONLY NOW BEING  
FORMULATED INTERNALLY, AND WILL BE FURTHER INFLUENCED BY  
JUNE 16-17 PREPARATORY COMMITTEE MEETING, OIL PRODUCER/  
CONSUMER MEETING, JULY UNCTAD COMMODITY COMMITTEE  
MEETING, AND AUGUST CONFERENCE OF NON-ALIGNED IN LIMA.

THEY NOW SEEM TO BE TRYING TO DEVELOP INTERNATIONAL  
POLICY AND PHILOSOPHICAL PRINCIPLES TO JUSTIFY IT, WHICH  
WILL BE ATTUNED MORE CLOSELY TO DOMESTIC ECONOMIC  
CONSIDERATIONS AND NATIONAL SELF-INTEREST. YUGOSLAVS  
BEGINNING TO RECOGNIZE THAT EFFORTS TO SOLVE INTER-  
NATIONAL ECONOMIC PROBLEMS AND THOSE IN DOMESTIC  
ECONOMY MAY NOT BE NECESSARILY COMPLEMENTARY.  
INTERESTINGLY, IN CONVERSATION WITH AMBASSADOR  
PRIBICEVIC EXPRESSED VIEW THAT THIS PROPOSITION BECOMING  
CLEARER TO OTHER NON-ALIGNED COUNTRIES. HE ADDED THAT  
YUGOSLAVS HAVE  
GRADUALLY BECOME MORE "CONSERVATIVE"  
AND HAVE TRIED TO MODERATE RADICAL POSITIONS OF OTHER  
COUNTRIES. YUGOSLAVS, HE ADDED, HAVE NOTED THAT SOME  
LDC'S ARE QUITE RADICAL IN THEIR LANGUAGE BUT CONSERVA-  
TIVE AND CAREFUL IN MAKING BILATERAL ARRANGEMENTS  
WHICH ARE ALWAYS IN THEIR NATIONAL INTERESTS.

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DODE-00 EB-07 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /141 W

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R 240715Z JUN 75

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TO SECSTATE WASHDC 3212

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AMEMBASSY BRASILIA

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AMEMBASSY LUSAKA  
AMEMBASSY MANILA  
AMEMBASSY MEXICO  
AMEMBASSY MOSCOW  
AMEMBASSY NEW DELHI  
AMCONSUL ZAGREB  
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7. AS FAR AS PRACTICAL PROBLEMS TO BE DISCUSSED  
AT UNGA SESSION, YUGOSLAV THINKING SEEMS TO BE DIRECTED  
TOWARDS ADOPTION AGREED "ACTION DOCUMENT" CLEARLY  
DEMONSTRATING "POLITICAL READINESS" OF ALL PARTICIPANTS  
TO REEXAMINE LDC PROBLEMS, AND ABOVE ALL COMMODITIES ISSUE.  
ACTION DOCUMENT WOULD REFLECT "POLITICAL AGREEMENT"  
TO DISCUSS ALL MAJOR COMMODITIES WITHIN CERTAIN TIME  
FRAMEWORK, AND IDENTIFYING FORUMS. NON-ALIGNED WOULD  
NOT HOLD OUT FOR SINGLE CONFERENCE TO NEGOTIATE ON ALL  
COMMODITIES -- OUR SOURCES BELIEVE -- PROVIDED UNDER-  
STANDING WAS REACHED THAT ALL MAJOR COMMODITIES WOULD  
BE INDIVIDUALLY DISCUSSED WITHIN REASONABLE PERIOD OF  
TIME. ACTION DOCUMENT WOULD ALSO CALL FOR MEANINGFUL  
NEGOTIATIONS ON OTHER MEANS OF SPEEDING LDC DEVELOPMENT  
(CAPITAL AND TECHNOLOGY TRANSFER, PROMOTION OF  
INDUSTRIALIZATION AND RESTRUCTURING OF UN).

8. YUGOSLAVS BELIEVE COMMODITIES CONFERENCES SHOULD  
COME UP WITH VARIETY OF AGREED, LONG-TERM SCHEMES TO  
ENHANCE AND STABILIZE LDC EARNINGS FROM EXPORT OF  
COMMODITIES. THEIR ATTENTION HAS BEEN FOCUSED PARTICULARLY  
ON EXPORT REVENUE STABILIZATION MECHANISMS CONTAINED  
IN LOME CONVENTION, WHICH THEY CONSIDER "HIGHLY  
INNOVATIVE," AS WELL AS ON DISCUSSIONS IN RECENT KINGSTON  
CONFERENCE OF COMMONWEALTH COUNTRIES IN WHICH,  
YUGOSLAVS BELIEVE, UK DEMONSTRATED POLITICAL READINESS  
TO CONSIDER LONG-TERM MARKETING ARRANGEMENTS AT  
HIGHER PRICE LEVELS THAN CURRENT MARKET PRICES. YUGOSLAVS

FAVOR INTERRELATED STOCKPILING SCHEMES, FINANCED BY OIL PRODUCERS AND INDUSTRIALIZED COUNTRIES, AS WELL AS COMPENSATORY FINANCING SCHEMES IN REGARD TO SEVERELY DEPRESSED COMMODITIES SUCH AS TEA AND JUTE, AND FOR TRADE WITH LEAST DEVELOPED COUNTRIES. YUGOSLAV POSITION ON INDEXING IS FLEXIBLE. THEY CONSIDER INDEXING SIMPLY ONE MEANS TOWARD END OF IMPROVING LDC EARNINGS FROM COMMODITIES; IF OBJECTIVE CAN BE ACHIEVED THROUGH OTHER IDEAS, AS OUTLINED ABOVE, INDEXATION CAN BE DISPENSED WITH.

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9. IN REGARD TO OTHER ASPECTS OF SPEEDING LDC DEVELOPMENT, YUGOSLAVS NOTE CONTINUED EMPHASIS AT NON-ALIGNED SESSIONS ON NEED FOR SDR LINK, AS WELL AS ON IDEAS FOR "MINI-LINKS," SUCH AS SCHEME TO PERMIT INDUSTRIALIZED COUNTRIES TO SELL GOLD TO IMF AT HIGH PRICES ON CONDITION PART OF PROCEEDS ARE DISTRIBUTED TO LDC'S. OTHER SIMPLISTIC SCHEMES WOULD HAVE INDUSTRIALIZED COUNTRIES AUTOMATICALLY REMIT TO LDC'S PROCEEDS OF TAXES ON CONSUMPTION OF "NON-RENEWABLE COMMODITIES" AND OF TAXES ON EXPLOITATION OF SEABED RESOURCES; AND TO PROVIDE THEIR FIRMS TAX AND OTHER INCENTIVES TO TRANSFER PROCESSING AND MANUFACTURING OPERATIONS TO LDC'S.

10. COMMENT: WE BELIEVE YUGOSLAVS SINCERE IN ESPOUSING NON-CONFRONTATIONAL OUTCOME OF SPECIAL SESSION, AND OF THEIR DESIRE TO MINIMIZE CONFLICT WITH US. CLEARLY THEY LOOKING FOR SPECIFIC AND CONCRETE RESULTS ON AT LEAST ONE OR TWO ISSUES. IT IS OF COURSE NECESSARY TO BE REALISTIC ABOUT LIMITATIONS IMPOSED BY THEIR SOMEWHAT REDUCED INFLUENCE IN NON-ALIGNED MOVEMENT. GOY CONTINUES TO REGARD COMMITMENT TO NON-ALIGNED CAUSES AND TO NON-ALIGNED UNITY FUNDAMENTAL ELEMENT OF OVERALL POLICY. THIS COMMITMENT BASED ABOVE ALL ON POLITICAL CONSIDERATIONS BUT -- THEY INSIST -- ALSO ON ECONOMIC CONSIDERATIONS, SUCH AS YUGOSLAV NEED TO INCREASE EXPORTS OF GOODS AND SERVICES TO LDC'S, BELIEF THAT TRANSFER OF RESOURCES TO LDC'S WILL EVENTUALLY PRODUCE A "MARSHALL PLAN" EFFECT, INCLUDING BETTER MARKETS FOR YUGOSLAV MANUFACTURED GOODS, AND LONG-TERM PROSPECTS FOR HIGHER PRICES FOR BASIC COMMODITIES NOW BEING DEVELOPED BY YUGOSLAVS ON PRIORITY BASIS. OTHER ECONOMIC CONSIDERATIONS -- NEED FOR FOREIGN INVESTMENT CAPITAL, HEAVY CURRENT COSTS OF IMPORTED OIL AND OTHER BASIC MATERIALS, CONTRIBUTE TO YUGOSLAV DEVOTION TO MODERATE SOLUTIONS.

11. WE CAN EXPECT YUGOSLAVS TO WORK ENERGETICALLY AT PREPCOMS AND BEHIND SCENES AT UNGA ON BEHALF OF

MODERATION. HOWEVER, SOMEWHAT SELF-CONSCIOUS AS  
ONLY CONTINENTAL EUROPEAN COUNTRY IN NON-ALIGNED  
GROUPING OF ONE HUNDRED, YUGOSLAVS ARE CLEARLY NOT THE  
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POWER THEY WERE TEN YEARS AGO, AND THEY APPEAR TO TAKE  
SPECIAL PAINS TO REMAIN IN STEP AT PLENARIES AND IN PUBLIC  
PRONOUNCEMENTS.

12. THIS POSITION APPEARS TO US TO LEAVE OPPORTUNITIES  
FOR AT LEAST LIMITED U.S.-YUGOSLAV COOPERATION PRIOR  
TO AND AT SPECIAL SESSION, IN INTEREST OF ACTION DOCUMENT  
SHOWING REQUISITE "POLITICAL WILLINGNESS" TO BE ACCEPTABLE  
TO NON-ALIGNED, WHILE NOT COMMITTING U.S. TO ANY  
DETAILED OBJECTIVES OR RESULTS FOR SUBSEQUENT NEGOTIATIONS.  
END COMMENT.  
SILBERMAN

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, POLICIES, INTERNATIONAL ORGANIZATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
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**Errors:** N/A  
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**From:** BELGRADE  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1975/newtext/t19750619/aaaaaqsh.tel  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
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**Original Previous Classification:** n/a  
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Margaret P. Grafeld  
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06 JUL 2006

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**Type:** TE  
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